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Marketing Knowledge Development: The Tension in Integrating Knowledge Generation Approaches into Practice

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Abstract:

Marketing knowledge, as an academic topic, presents a tension, rather than the resolution of tension, between practice and theory. The different approaches to knowledge development that we identify in this paper stem from different functions internal to the organization, and their different research traditions. This tension is produced in part from the frequent failure in practice of a range of functions (Human Resources, or Public Relations, or Corporate Communications, or Marketing), to speak to one another across departmental boundaries. One of the reasons for the slow uptake in practice of a true market orientation is due to failures of knowledge sharing within organizations. In this paper secondary data are analysed to respond to the need for a better understanding of which features of other knowledge generating theories encourage the emergence of antecedents that provide the requisite opportunity to develop marketing knowledge that is needed to build capabilities to enhance market orientation. A framework for integrating three theoretical approaches is, therefore; identified to be used in developing marketing knowledge. There seems not, as yet, to be anything resembling a rigorous theory or meta-theory that can incorporate the strengths of the existing, competing knowledge generating theories and transcend their respective limitations in marketing knowledge development. However, the study identifies the complex factors that need to be designed into future research on market orientation and the development of marketing knowledge.

Keywords: Market-orientation, capabilities, knowledge.

1. Introduction

Marketing knowledge, as an academic topic, presents a tension, rather than the resolution of tension, between practice and theory. For what is the context for marketing knowledge generation? Marketing is a practitioner discipline. It is a business approach to be adopted by managers in a firm, with specific marketing tasks allocated to the marketing professionals. As Drucker has said, there are only two departments necessary to a business: marketing and innovation (2001). This is the heart of the marketing orientation in a firm: customer creation (and then satisfaction and retention) – and thus it is critical to every firm. Theory development, therefore, in the marketing context, is essentially and at best, a practical process. It comes from the interaction between researchers, often based in higher education institutions, and organizations themselves. Practitioners provide to researchers the understanding of what knowledge is needed to market effectively, who in turn generate transferable, coherent theory. The different approaches to knowledge development that we identify in this paper stem from different functions internal to the organization, and their different research traditions. This tension is produced in part from the frequent failure in practice of a range of functions (Human Resources, or Public Relations, or Corporate Communications, or Marketing), to speak to one another across departmental boundaries. So one of the reasons for the slow uptake in practice of a true market orientation is due to failures of knowledge sharing within organizations. At the heart of marketing knowledge generation is a necessary interchange and exchange, and a resulting tension between knowledge generation and internal infrastructures for dissemination and co-creation.

Market orientation, the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it (Kohli and Jaworski, 1990), embodies the essence of marketing knowledge development from the firm point of view. Market orientation is a foundation of marketing and increasingly important in other fields, such as strategic management (Gebhardt et al. 2006). An organization's ability to create knowledge is a source of competitive advantage (Un and Cuervo-Cazurra 2004); in fact, dissemination, and utilization of both market

and marketing knowledge are critical bases of competitive superiority (Andreasen et al. 2005). And it is this that creates the tension – how to use knowledge in practice?

For, as Day (1994b) has pointed out “despite the recent progress in understanding what a market-driven organization does and identifying who they are, troubling gaps and shortcomings remain” (p. 37). Slater and Narver (1995) also have noted that creating a market orientation is only a start for a business that wants to maximize its ability to learn about markets. The issue arising from these observations is that market orientation representing operationalization of the marketing concept is incomplete in the sense that there is lack of understanding as to how this organizational orientation can be achieved and sustained. For the marketing concept is known to promise superior performance through an external focus on customer satisfaction and an internal focus on operational excellence (Day 1994b). However, as Vorhies et al. (1999) pointed out little is understood about the internal processes that enable an organization to become market-driven. This tension as not been resolved since Day focused on it, for more recently Srivastava et al. (2001) wrote that “recent efforts by leading marketing theorists have not fully articulated processes by which internal and market-based resources are converted into competitive advantages” (p. 778).

2. Statement of the Problem

In an attempt to contribute to a more complete understanding of the topic under consideration, this paper asks in particular, how the different approaches to knowledge development complement each other. It is hoped that integrating certain elements of these approaches could explain the complementary relationship between these approaches to knowledge development and lead to debate about how they would be integrated with the market oriented construct.

3. Objectives

- i. To contribute to a more complete understanding of how theoretical approaches to knowledge generation complement each other.
- ii. To describe what marketing knowledge development means and develop briefly the notion of knowledge that forms the basis of the conceptual frame work of this paper.
- iii. To lay out the key strands of the theoretical perspectives by reviewing related literature in each area in a way that allows their differences to be seen as to how they deal with different facets of marketing knowledge generation.
- iv. Explore the implications of the linkage between various theoretical approaches and organisational practice and make suggestions for further research.

4. A Framework for Understanding Marketing Knowledge Development

We develop a framework for integrating three theoretical approaches in developing marketing knowledge (see Figure 1). Market orientation with its external emphasis on developing information about customers and competitors, provides the externally needed knowledge for building marketing capabilities of the firm. Market orientation is simply the adoption and implementation of the marketing concept (Darroch et al. 2004; Kohli and Jaworski 1990), and provides the basis for external market knowledge generation. This is achieved by a firm engaging in a set of activities or behaviours that relate to market intelligence gathering, market intelligence dissemination cross-functionally within the firm, and the action responses based on this intelligence.

There has been much work done to develop the knowledge of the market orientation construct as an organizational adoption and operationalization of the marketing concept (Morgan, 2004). Out of these works on market orientation two conceptual frameworks in particular have enjoyed longevity. These are the works of Kohli and Jaworski (1990)/ Jaworski and Kohli (1993) and Narver and Slater (1990). We discuss below how these two conceptual frameworks have contributed to the generation of marketing knowledge and their shortcomings, once we have proposed our integrative framework for developing marketing knowledge.

To complement this marketing orientation approach, we draw up on the organizational capability approach. For this takes an inside-out or firm specific perspective provides the framework for accessing, harnessing, applying and integrating accumulated marketing knowledge into organizational processes that enable firms to coordinate activities and make use of their assets to enhance market orientation (Day 1994b; Grant 1996b). Finally, from organizational learning theories or organizational knowledge generation perspective we have the knowledge conversion model (Nonaka et al. 2006; Nonaka and Takeuchi 1995), and the intellectual and social capital model (Newell, Tansely and Huang 2004) which are externally and internally focused providing the knowledge needed for building distinctive marketing capabilities (see Figure 1 for integrating model).

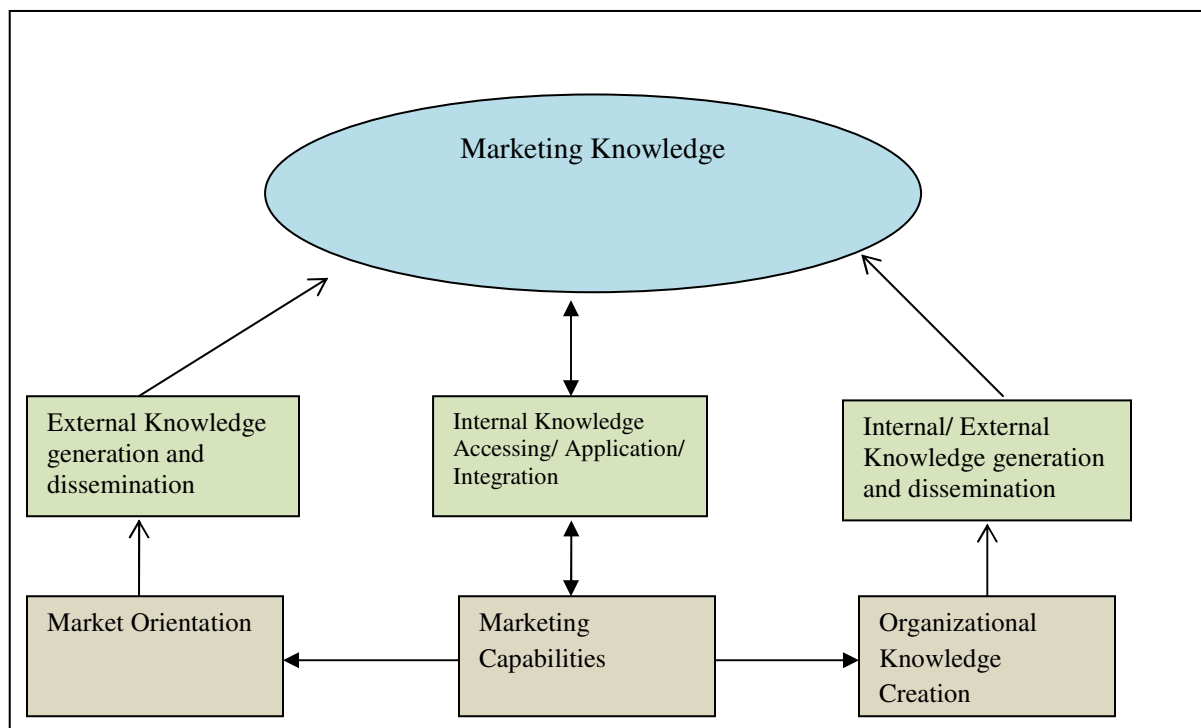


Figure 1: Integrating model for marketing knowledge generation.

Schlegelmilch and Penz (2002) observed that knowledge management processes are integral parts of marketing tasks and are regarded as the linchpin to achieving a sustainable competitive advantage. Tsai and Shih (2004) noted that the process perspective of knowledge management holds that knowledge generation is the process by which knowledge is obtained, and that knowledge dissemination describes the process by which knowledge from different sources is shared which, in turn stimulates new knowledge or understanding.

The essence of marketing knowledge development is reinforced by the role of the marketing function is expected to play in the twenty-first century economy which has been described as network society (Achrol and Kotler, 1999). Achrol and Kotler observed that in the network economy marketing's most important function will be to create marketing know-how, the latest in concepts and methods that operational levels of an organization will find invaluable to their success. They pointed out that marketing's most significant contribution as a business function in network economy would be enabling the firm to process information into knowledge, as the key resource of the future is information and knowledge. In addition, marketing would increasingly be responsible for creating and managing new marketing knowledge and this would require the need to develop stronger involvement with other sources of knowledge

In this paper we define knowledge broadly as that which is known with the recognition that there are many types of knowledge relevant to the firm (Grant, 1996b), such as tacit knowledge (identified with knowing how), and explicit knowledge (knowing about facts and theories). The distinction between the two lies in transferability and mechanisms for transfer across individuals, across space, and across time (Grant, 1996a).

Chaston (2004) observed that knowledge which permits organizations to achieve uniqueness within the market place is frequently an intangible product, tacitly stored in the minds of managers and employees or through formal systems distributed across an entire organization. Individual employee knowledge becomes organizational when, as well as drawing distinctions in the course of their work by taking into account the contextuality of their actions, individuals draw and act upon a corpus of generalizations in the form of generic rules produced by the organization (Tsoukas and Vladimirou 2001). In this way organizations can be expected to evolve and change as knowledge moves from the domain of individuals and becomes an understanding shared by others. According to Chaston it is this sharing process, or social interaction that has potential to enhance the future performance of the organization (Chaston 2004).

By drawing on social capital and knowledge integrative perspective, it is the contention of this paper that human knowledge is developed, transmitted and maintained in social relations (Newell et al. 2004; Chaston 2004). As a result, we can distinguish conceptually among three types of social relationships within which social interaction takes place and knowledge is generated. The first is market relations in which products and services are exchanged for money or bartered; second is hierarchical relations, in which obedience to authority is exchanged for material and spiritual security; and third is social relations, in which favours and gifts are exchanged (Adler and Kwon, 2002). Knowledge that can be generated out of these relationships could be represented as market-based, organizational and individual knowledge respectively. Market-based knowledge can be defined in terms of market orientation construct that is, generating, disseminating and responding to market intelligence/knowledge (Kohli and Jaworski, 1990). Organizational knowledge would be defined as the set of collective understandings embedded in a firm, which enable it to put its resources to particular uses (Newell et al. 2004). Individual knowledge is his/her ability to draw distinctions within a collective

domain of action, based on an appreciation of context or theory, or both (Tsoukas and Vladimirova 2001). All three types of knowledge are essentially socially generated and they constitute the conceptual foundation for the discussion in this paper. The Table 1 below represents the three theoretical approaches for generating marketing knowledge indicating their orientation, unit of analysis and activities or processes they employ to generate knowledge.

Dimension	Market Orientation	Organisational Capabilities	Organizational Knowledge Creation
Orientation	External emphasis on exogenous knowledge about markets and competition	Internal emphasis on knowledge resources	Both internal and external emphasis on knowledge generation
Unit of Analysis	Customers, competitors and marketing environment	Organizational processes and individuals	Individual, organizational structures, internal and external networks
Activities or processes	Generation/ dissemination of market/ (marketing) information/ intelligence/ knowledge	Accessing, harnessing, application and integration of (marketing) knowledge	Creating, generating, developing, and disseminating/ sharing/ transfer of (marketing) knowledge

Table 1: Market Orientation, Organizational Capabilities and Organizational Knowledge Creation

5. Overview of the Theoretical Approaches

5.1. The Market Orientation Process

5.1.1. Intelligence Generation, Dissemination, and Responsiveness

Market orientation is a mode of market knowledge generation made up of three elements, namely, intelligence generation, dissemination, and responsiveness to market intelligence (Kohli and Jaworski, 1990). Market intelligence generation pertains to current as well as to future customers' needs and preferences and exogenous market factors that affect them. At the intelligence generation level knowledge is generated by analysing changing conditions in customers' industries and their impact on the needs and wants of customers. The second element of market orientation, intelligence dissemination, is where market intelligence has to be communicated to relevant departments and individuals in the organization in order for an organization to adapt to market needs (Kohli and Jaworski, 1990). Kohli and Jaworski noted that, although market intelligence is disseminated by the marketing department to other departments, it may also flow in the opposite direction, depending on where it is generated within an organization. The third element, responsiveness to market intelligence is the action taken in response to intelligence that is generated and disseminated by market oriented company. Kohli and Jaworski after explicating the marketing orientation construct considered the antecedents to the implementation of construct in business organizations. They defined antecedents to a market orientation as the organizational factors that enhance or impede the implementation of the marketing concept and identified three hierarchically ordered categories of antecedents to market orientation. These include individual, inter-group, and organization-wide factors, which they labelled as senior management factors, interdepartmental dynamics, and organizational systems, respectively.

Slater and Narver's definition of market orientation is more normative in that they described it as the culture that provides norms for behaviour that lead to the creation of superior value for buyers. Their purpose was to highlight the elements of market orientation that are essential to organizational learning. According to them market orientation is the foundation of the learning organization and noted that in competitive markets learning may be the only source of competitive advantage. Learning organizations are, in one sense, an ideal type of organization, with the capacity to learn effectively and hence to prosper (Easterby-Smith and Lyles 2005). Slater and Narver (1995) posited that market orientation complemented by entrepreneurship and appropriate organizational climate, namely, structures and processes provides the basis for valuable learning to occur.

As a consequence, Slater and Narver (1999) described knowledge development as three-stage process consisting of information acquisition, information dissemination, and shared interpretation. Information acquisition involves acquiring information from direct experience, experiences of others, or organizational memory. Information dissemination from organizational learning perspective involves sharing information so that each piece of information can be seen in its broader context by all organizational players who might use or be affected by it and who are able to feedback questions, amplifications, or modifications that provide new insights to the sender. The final stage of organizational learning involves shared interpretation of the information and a consensus on the meaning of the information and its implications for that business. This three-stage process of marketing knowledge development parallels that of Kohli and Jaworski (1990) definition of market orientation and therefore the process has external focus.

We noted in our introduction that, despite the progress made in understanding what a market-driven organization does Srivastava et al., (2001) have observed that marketing theorists have not fully articulated processes by which internal and market-based resources are converted into competitive advantages. As a consequence, it has been advocated that the capabilities approach to strategic management offers the means to study these internal processes (Day 1999; Vorhies et al., 1999). We intend to turn, therefore, to the organizational capabilities theoretical approach to consider the internal process that deals with knowledge generation, but first we

discuss the shortcomings of the market orientation approach to marketing knowledge development. (It should be pointed out that how this flow of marketing intelligence works within the organization is yet to receive full attention in the market orientation literature. We address this in our proposed areas for future research.)

5.1.2. Shortcomings of Market Orientation Approach

The core of Kohli and Jaworski's definition of a market orientation has been described as that of information processing, and market orientation is, therefore, viewed as simply an orientation toward the marketplace (Darroch et al. 2004). Darroch et al. (2004) explained that market orientation philosophy generally means learning about market developments, sharing this information with appropriate personnel, and adding offerings to a changing market. Thus, a firm with a market orientation is one that is simply oriented toward the marketplace and to ignore the marketplace would mean being internally oriented (Darroch et al. 2004). Darroch et al. also, pointed out that Narver and Slater offer a slightly different perspective by including competitor information and inter-functional coordination in the domain of their operationalization of market orientation. In the same vein Littler (2005) asserted that market orientation in general suggests that organizations are outward looking, collecting intelligence on competitors and customers, and disseminate this information throughout the organization.

From the forgoing it could be argued that designating market oriented activities as information processing, ignores individuals' role in applying marketing information to their work, that is, individuals' judgement of what works in practice. This way of looking at marketing knowledge tends also to ignore, among other things, the constructed nature of knowledge (Tsoukas and Mylonopoulos 2004).

We now sum up this critique. The outward looking of the market oriented construct as portrayed above brings to the fore the observation of what the marketing concept promises to offer to organizations. Day (1994b) observed that the marketing concept promises superior performance through an external focus on customer satisfaction and an internal focus on operational excellence. Considering the outward looking of the market orientation vis-à-vis Day's observation the question that arises is what role do internal processes in organizations play in the generation of marketing knowledge. Thus the promise of market oriented firm to offer internal focus of operational excellence as advocated by Day (1994b) has been overlooked in extant market orientation literature. Some aspects of such internal processes include limited understanding about the mechanisms by which intelligence generated at one location within an organization can be disseminated effectively to other parts of the organization (Kohli and Jaworski, 1990), and how interdepartmental dynamics enable or retard marketing knowledge generation and dissemination within the firm, especially their influence on the mechanisms for accessing (marketing) knowledge embedded within the firm (Jaworski and Kohli, 1993; Vorhies et al., 1999; Grant, 1996b). However, McNaughton et al. (2001) argued that existing explanations of how market orientation influences performance are incomplete. They pointed out that "extant theory focuses on the processes whereby market orientation creates customer value, but then makes a substantial leap in positing a relationship between value for customers and the creation of value for the owners of the firm (i.e., through increased profitability and returns). The processes that underlie this relationship are largely treated as a black box ..." (McNaughton et al. 2001; p. 522). Thus understanding how to achieve and sustain market-driven orientation has become a challenge to both practitioners and academics (Day 1994b).

5.2. The Role of Organizational Capabilities

Unlike market orientation, organizational capabilities theoretical approach to knowledge development takes an inside-out or firm specific perspective (Srivastava et al, 2001). The rationale for organizational capabilities role in the development of marketing knowledge stem from the argument that if external markets are in a state of flux, then the internal resources and capabilities of a firm would appear to be a more stable basis for strategy formulation than the external customer focus that has traditionally been associated with the marketing-orientation to strategy (Grant 1996a).

As previously noted one advocated approach for studying the internal processes is the capabilities approach (Vorhies et al. 1999; Day 1994b). The rationale for this approach is that businesses that possess the ability to learn rapidly about their markets and to act on that information are best positioned to achieve competitive advantage (Day 1994b; Slater and Narver 1995). However, for an organization to learn about market events and trends there is the need to have the internal organizational processes developed (Vorhies et al. 1999). These processes include formal and informal approaches for gathering and processing market information (Day, 1994; Kohli and Jaworski, 1990). The role of organisational processes is critical to understanding the manner in which organisational learning may be manifested (Morgan et al.1998). Morgan et al. (1998) noted that organisational learning can be reflected in an organisational capability. Organisational capability has been defined as complex bundles of skills and collective learning, exercised through organizational processes that ensure superior coordination of functional activities (Day 1994a). Thus these contributions to the literature of market orientation research have developed to consider the capabilities of market oriented firms, levers underlying market orientation (Morgan 2004).

5.2.1. The Nature of Capabilities

Organizational capabilities are identified with the know-how that account for the organization's ability to perform and extend its characteristic output actions in the creation of a tangible product or the provision of a service (Dosi, Nelson and Winter 2000). In other words, to be capable of some thing is to have a generally reliable capacity to bring that thing about as a result of intended action. Capabilities, therefore, fill the gap between intention and outcome, and they fill it in such a way that the outcome bears a definite resemblance to what was intended (Dosi et al. 2000). Teece and Pisano (1994) used the term capabilities to emphasize appropriately

adapting, integrating, and re-configuring internal and external organizational skills, resources, and functional competences toward changing environment. They asserted that a firm capabilities need to be understood mainly in terms of the organizational structures and managerial processes which support productive activity. They referred to managerial and organizational processes as the way things are done in a firm, or what might be referred to as its routines, or patterns of current practice and learning (Teece and Pisano 1994). Hence, capabilities as organizational knowledge is exercised through specific organizational processes (Guenzi and Troilo 2006). In this respect capabilities are manifested in typical business activities and they are closely en-twined with organizational processes (Day 1994a). Thus, seeing capabilities along this dimension affirms Grant's (1996a) assertion that integration of specialist knowledge to perform a discrete productive task is the essence of organizational capability.

Day (1994a) observed that every discussion of market orientation emphasizes the ability of the firm to learn about customers, competitors, and channel members in order to continuously sense and act on events and trends in present and prospective markets. To act on events and trends in present and prospective markets in order to generate superior customer value is also dependent on the availability of distinctive marketing capabilities (Guenzi and Troilo 2006). The extent to which a capability is 'distinctive' depends also upon the firm accessing and integrating the specialized knowledge of its employees (Grant 1996b). In this respect marketing capabilities have been defined as the integrative processes designed to apply collective knowledge, skills and resources of the firm to market-related needs of the business, enabling the business to add value to its goods and services, adapt to market conditions, take advantage of market opportunities and meet competitive threats (Guenzi and Troilo 2006). Thus marketing capabilities are developed when the firm's marketing employees repeatedly apply their knowledge and skills (an intangible resource) to solving the firm's marketing problems.

According to Day (1994a) capabilities can be usefully sorted into three categories, depending on the orientation and focus of the defining processes. At one end of the spectrum are those that are deployed from the inside out and activated by market requirements, competitive challenges, and external opportunities. At the other end of the spectrum are outside-in capabilities whose focal point is almost exclusively outside the organization. The purpose of these outside-in capabilities is to connect the processes that define the other organizational capabilities to the external environment. Finally, spanning capabilities are needed to integrate the inside-out and outside-in capabilities. Strategy development, new product/service development, price setting, purchasing, and customer order fulfilment are critical activities that must be informed by both external (outside-in) and internal (inside-out) analyses.

Organizational capabilities contribution to marketing knowledge development is providing the framework for integrating the knowledge generated within and outside the firm to build distinctive capabilities that set market driven organizations apart. Capabilities that stands out as being superior that support the business market position to outperform the competition is referred to as distinctive capabilities. In other words, distinctive capability is "a tightly integrated bundle of complementary skills, technology and knowledge that enables a team or group to execute one or more critical processes better than the competition" (Day 1999; p. 63). Day (1999) noted that superiority comes from rapid sharing and use of information about market opportunities and technological possibilities.

Distinctive capabilities that span and support multiple lines of business are usually referred to as core competencies of a corporation (Day 1994a). In this sense distinctive capability can be described as difficult-to-replicate or difficult-to-imitate competence (Teece and Pisano 1994). Teece and Pisano (1994) noted that the key feature of distinctive competences/capabilities is that there is not a market for them. In other words, "that which is distinctive cannot be bought and sold short of buying the firm itself, or one or more of its subunits" (Teece and Pisano 1994; p. 540 – 541). They described that capabilities as intriguing assets and as such they typically must be built because they cannot be bought.

Day (1994a) emphasized that the durability of capabilities-based advantages stems from, their scarcity, their relative immobility either because they cannot be traded or are much more valuable where they are currently employed than they would be elsewhere, and the difficulty that competitors face in understanding and imitating them. As previously noted this in turn points to knowledge (tacit knowledge in particular) as the most strategically-important resource which firms possess. Capability-based advantages are therefore derived from superior access to and integration of this specialized knowledge (Grant 1996a). It could therefore be argued that the essence of organizational capability is the integration of individuals' specialized knowledge. Grant (1996b) views organizational capability as the outcome of knowledge integration which is dependent upon firms' ability to harness and integrate the knowledge of many individual specialists. He argued that "if knowledge is a critical input into all production processes, if efficiency requires that it is created and stored by individuals in specialized form, and if production requires the application of many types of specialized knowledge, then the primary role of the firm is the integration of knowledge" (Grant 1996a; p. 377).

5.2.2. Organizational Capability as Knowledge Integration

Knowledge integration may be required when several activities are interdependent and individuals need to adapt their action to each other (Foss and Mahnke, 2005). Building organizational capability is an example of where knowledge integration is required to harness and integrate the knowledge of many individual specialists. In this case, knowledge creation cannot be separated from knowledge application as both occur within a common organizational context when building organizational capability (Grant 1996b). The creation of knowledge in this way by integrating knowledge is borne out by the fact that much of the knowledge component of capabilities is tacit and dispersed throughout an organization (Day 1994a), and can be appropriated only through its application to productive activity (Grant 1996b).

Viewing the firm's primary task (perhaps after creating customers?) as integrating the specialized (marketing) knowledge of multiple individuals across specialized organizational units suggests coordination which is dependent upon the characteristics of the process

technology deployed. This has led to identification of four types of interdependence coordination, namely, pooled, sequential, reciprocal, and team interdependence coordinating mechanisms (Grant 1996b).

It is not here the place to describe those interdependencies in detail. What is of interest for this paper is that although the capabilities approach illustrates how knowledge generated either internally or externally may be integrated within the organization, it has not resolved the issue of the mechanisms that must be in place for marketing knowledge generated at one location to be disseminated effectively to other parts of an organization (Kohli and Jaworski, 1990). To resolve this issue we now turn to organizational knowledge creation process as a complement in the development marketing knowledge.

5.3. The Organizational Knowledge Creation Approach

We review here the knowledge conversion model (Nonaka, von Krogh and Voelpel 2006) and the social capital model (Newell, Tansely and Huang, 2004), which are both externally and internally focused. The knowledge conversion model is the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it with an organization's knowledge system (Nonaka, von Krogh and Voelpel 2006) while social capital model refers to the set of resources that accrue to an individual or group by virtue of their social connections (Newell et al 2004; Edelman et al 2004).

5.3.1. Knowledge Conversion

Nonaka (1994) proposed a generic paradigm for managing the dynamic aspects of organizational knowledge creating processes can be explained in terms of four processes – socialization, externalization, combination and internalization (the SECI model) – by which explicit and tacit knowledge are transformed into each other. As already noted, the process of organizational knowledge creation is initiated by the enlargement of an individual's knowledge within the organization. The interaction between knowledge of experience and rationality enables individuals to build their perspectives on the world. Yet these perspectives remain personal unless they are articulated and amplified through social interaction. One way to implement the management of organizational knowledge creation is to create a "field" or "self-organizing team." So, Nonaka and Takeuchi (1995) view knowledge creation as largely occurring in *teams* which provide the shared context where individuals can interact with each other, create new points of view through dialogue and discussion, pool their information and integrate diverse individual perspectives. They emphasize that all new knowledge begins with the individual and suggest that organizational learning consists in making personal knowledge available to others.

This kind of dynamic interaction from the team perspective facilitates the transformation of personal marketing knowledge into organizational knowledge. Once the task of a team is completed, members move to their business-system and engage in routine operation until they are called again for another project. Thus they take along knowledge created in the team and disseminate it within their business system for onward integration into work processes.

5.3.2. Social Capital

Social capital is the set of resources that accrue to an individual or group by virtue of their social connections (Makino and Inkpen 2005). The essence of social capital in marketing knowledge development is that social capital is a unique firm asset which is derived from the social structure of relations, and can be used for knowledge gathering and dissemination (Edelman et al. 2004). From this perspective, knowledge is seen to emerge as people interact recurrently in the context of established routines and procedures (Newell et al. 2004). Therefore, when firm members participate in organizational activities or practices, they have the potential to simultaneously create or extend the firm's knowledge.

However, they also Newell et al pointed out that mere access to dispersed knowledge is only the starting point, because the ambiguity of knowledge means that information may not resolve misunderstandings. Rather, people need to communicate, assimilate cognitive frameworks and develop shared understanding. In this respect, the integration of knowledge within a team does not simply involve the mechanistic pooling of the various pieces. Rather, the integration of knowledge depends on joint knowledge generation (Newell et al. 2004).

6. Towards a Synthesis of the Literature

6.1. Linking Organizational Capability and Knowledge Creation Approaches

A key step in building dynamic marketing capabilities is to identify the foundations upon which distinctive and difficult-to-replicate advantages can be built. In this respect Iansti and Clark (1994) had emphasised the importance of knowledge and knowledge-creating activities as the foundation of capability. They observed that the connection between knowledge and capability has been an important theme in recent works on the nature of organizational competence and that this outlook implies that effort to build capability must be grounded in processes to build new knowledge.

Organizational knowledge is the capability members of an organization have developed to draw distinctions in the process of carrying out their work, in particular concrete contexts, by enacting sets of generalizations whose application depends on historically evolved collective understandings (Tsoukas and Vladimirou 2001). Organizational knowledge creation is therefore meant to be the capability of a company as a whole to create new knowledge, disseminate it throughout the organization, and embody it in products, services, and systems (Nonaka and Takeuchi 1995). Put differently organizational knowledge creation can be defined as the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it with an organization's knowledge system (Nonaka, von Krogh, and Voelpel, 2006). This means organizational knowledge creation theory explains the process of what

individuals comes to know in their (work-) life and how this benefits their colleagues and, eventually, the larger organization. Nonaka and Takeuchi (1995) noted that, although the term organizational knowledge creation is used in this context, the organization cannot create knowledge on its own without the initiative of the individual and interaction that takes place within the group. They stressed that knowledge can be amplified or crystallized at the group level through dialogue, discussion, experience sharing and observation (Nonaka Takeuchi 1995).

The essence of organizational knowledge creation in marketing knowledge development stems from the fact that market intelligence (knowledge) is said to be generated collectively by individuals and departments throughout an organization (Kohli and Jaworski 1990). As consequence Kohli and Jaworski (1990) suggested that market oriented organizations should have mechanisms in place for intelligence generated at one location to be disseminated effectively to other parts of an organization. In this respect organizational knowledge creation approaches offer such mechanisms. This view as put forward by Kohli and Jaworski affirms the assertion that ideas are formed in the minds of individuals and that interaction between individuals typically plays a critical role in the development of these ideas - that is to say communities of interaction contribute to the amplification and development of new knowledge (Tsoukas and Vladimirou 2001; Grant 1996a, b; Nonaka 1994). While these communities might span departmental or indeed organizational boundaries, the point to note is that they define a further dimension to organizational knowledge creation, which is associated with the extent of social interaction between individuals that share and develop knowledge. As Newell et al. (2004) noted, while much of this organizational knowledge may be formal, there is always and inevitably an informal aspect to this knowledge, which is generated in action. They referred to this as heuristic knowledge that arises as individuals engage in their daily routines and improvise in response to particular situations that are encountered. This may or may not be shared with others, but Newell et al. pointed out that heuristic knowledge based in action certainly contribute significantly to efficient working. To map existing organizational processes, then, involves accessing and integrating these collective understandings, which are both dispersed and ambiguous (Newell et al. 2004).

6.2. Linking Social Capital as an Approach to Marketing Knowledge Development

To understand how actors, utilize social capital in marketing knowledge development it is necessary to examine the distinction between two forms of social capital - external bridging social capital and internal bonding social capital. With regard to bridging, social capital has been defined as the sum of actual and potential resources within, available through, and derived from the network of relationships possessed by an individual or social unit (Newell et al. 2004). Social capital thus comprises both the network and the assets that may be mobilized through the network. This definition focuses social capital on the way networks provide an individual with an access or *bridge* to the information of others. Bridging social capital examines the external linkages of individuals and groups that help to define their relationships. The 'bridging' view sees social capital as a resource inhering in a social network that can be appropriated by a focal actor based on relations with others in the network. Bridging occurs where ties between people are 'weak', thus providing brokerage opportunities within the social system. Individuals who provide a 'bridge' across divided communities (structural holes) are important, since they play a brokerage role. (Newell et al. 2004) noted that the level of associability between the parties can be relatively limited and trust can be fragile.

In contrast, the *bonding* view of social capital starts from the premise that levels of associability and trust between the parties in the network must be strong to ensure that collective goals are pursued. The *bonding* view of social capital focuses on the internal relationships of a focal actor and specifically examines the linkages and corresponding relationships among individuals and groups within a focal group or organization. Thus social capital relates to the internal structure and relations within this collective. Newell et al. (2004) argued that for effective mobilization of 'weak' social capital bridges for collective purposes, there is first a need to create 'strong' social capital bonds within the project team so that it becomes a cohesive social unit that will be able to effectively integrate knowledge that is acquired through members' bridging activity. In terms of strong internal bonds, Newell et al. added, associability and trust need to be high. This is a prerequisite for using the knowledge that team members may access from their individual networks outside the project team, since knowledge integration must involve dialogue and negotiation. In sum the bounding view ensures an internal cohesiveness that allows the collective to pursue shared goals.

Edelman et al. (2004) noted that the activation of social capital depends upon a wide range of factors, including opportunities available for social interaction and networking, a range of factors influencing the motivations and abilities of relevant actors. They also indicated that social capital can be a positive force for accessing information. However, organizational contextual factors, such as restructuring, barriers between disparate groups within the organization as well as the prevailing normative structure can lead to disincentives to knowledge dissemination.

7. Conclusions

In this article an attempt has been made to synthesize theoretical perspectives on knowledge generation activities in marketing and various disciplines and to develop a conceptual framework that identifies the sources of generating marketing knowledge. The goal of integrating across various theoretical perspectives proved to be feasible, since across these domains there is broad consistency or complementarity of concerns and concepts.

The practical driver for urging a greater focus on process and implementation issues in marketing research stems from the fact that marketing workers and other organizational workers placed at the peripheries of the organizational hierarchy cross organizational boundaries and interact with customers and users. We cannot afford to treat marketing knowledge in a marketing silo; this paper has laid the foundation for the theoretical synthesis that now needs to be worked out empirically to drive practice. Marketers need to really focus on understanding how their knowledge gained by interacting with customers and users might be accessed to build distinctive

capabilities to enhance market orientation. This knowledge has been described as local, deeply contextual, practical and derived from experience (Yanow 2004). This is our key conclusion.

In fact, a number of important advantages are seen to be integrating under a concept of marketing knowledge development, and the range of resources provided by other knowledge generating theories from organizational capabilities and learning or knowledge perspectives. This integration promises valuable opportunities for theoretical cross-fertilization and might afford us a better understanding of some crucial market orientation processes. The conceptual framework suggested in this work does, however, allow reflection on various streams of knowledge generation theoretical perspectives and how they could be employed in research to enhance market orientation in organizations.

What became obvious in this paper is that there does not, as yet, seem to be anything resembling a rigorous theory or meta-theory that can incorporate the strengths of the existing, competing knowledge generating theories and transcend their respective limitations in marketing knowledge development.

7.1. Implications for Market Orientation Research

Although the mechanics of marketing research have often been simplified by restricting ourselves to a single level of analysis, such as market orientation construct, the reality of organizations is shaped by the constant interplay of the individual, group, business unit, corporate, and inter-firm levels. Many of the phenomena we study in developing marketing knowledge as researchers involve all forms of knowledge generating theories simultaneously. As we noted earlier, Kohli and Jaworski (1990) identified three categories of antecedents to market orientation individual, inter-group, and organization-wide factors, which they labelled as senior management factors, interdepartmental dynamics, and organizational systems. Some 17 years later the empirical challenge remains. Research needs to be framed to include these dimensions and their interplay.

Since research would benefit from more dialogue among proponents of competing perspectives on the sources of knowledge generating theories, a start might be made at conferences, broadly based in organization studies and focussed on in integrating theory and practice. For both theoretical discussion and empirical work will be needed to clarify the role of various theoretical perspectives as laid out in this paper. We need a better understanding of which features of other knowledge generating theories encourage the emergence of antecedents that provide the requisite opportunity to develop marketing knowledge that is needed to build capabilities to enhance market orientation.

Finally, marketing knowledge development is ultimately only of value in given contexts encompassing certain factors. These factors have recently moved to the foreground of much market orientation research (e.g., Morgan, 2004; Gebhardt et al. 2006) and so debate over these issues is inevitable and healthy.

8. References

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